

The Honorable Thomas M. Menino
Annual Report to the Boston Municipal Research Bureau

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59 days into a new term, we enter the most challenging of seasons. It's budget time in Boston. Typically, the decisions we make in the next few months set us up for the next year. This is no ordinary term, and no ordinary time.

I've come here to talk about decisions that will position us for success for the next decade. The future calls on us to change, and the present demands it.

So, we are 59 days in, and I can't recall a time we've come to this point of the year with so much energy on our side:

- 1,463 days remained in the term when it began.
- On day 1,454, we created a nationally-recognized Haitian Relief Center.
- 5 days later, we were successful in passing landmark education reform.
- At 1,437, we carried out a public health canvass in East Boston that was the largest direct social service outreach in our city's history.
- About a week later, we worked with Liberty Mutual to expand their business in Boston and create 1,100 new jobs.
- On day 1,417, we launched the Circle of Promise to raise student achievement and break the cycle of poverty in the heart of our city.
- Just yesterday, we announced the dropout rate is down in our schools for the

third year in a row!

The momentum in Boston is clear, and it's catching.

New business openings in the last two and half months will add hundreds of jobs to our economy. The Innovation District we announced on inauguration day is already attracting entrepreneurs to the waterfront and generating inquiries from around the world. We launched my Office of New Urban Mechanics, and within days calls were coming in from other cities, wanting to learn about our model.

I should point out too, that 35 days in to this new term, I ditched my big knee brace. So to all the businesses in Boston, big and small; to the coffee shops and neighborhood groups; progress is headed your way...and your Mayor is, too.

Sam, you and the supporters of the Research Bureau have been a key part of this progress, and we thank you. Everyone in this room has contributed to the winning combination in Boston, but we know that sometimes winning gets in the way of doing it again. We get so set in our ways, that we fail to see the world around us change, and we fail to adapt.

While I have come here in the past to push and prod, to announce new buildings and launch new programs, today I'm here to explain how we have to change – to describe the changes in the city around us, and explain how we need to adapt to serve our residents better.

I will highlight four areas:

- The re-imagining of our community centers;
- The re-invention of our libraries;
- The transformation in our great school system;

- And the rethinking of our approach to small and medium businesses in Boston.

Let's start with Boston's 46 community centers. In their first phase, they started out as places for hobbies like cooking and dancing. They went through a second phase where recreation and exercise was the primary focus. The question for us is what's next? When the premium on learning is higher than ever, what should the mission of these city treasures be?

It's time to innovate and move beyond just gym and swim. It's time to usher in a new phase for our community centers that is focused on youth development.

We know that we need to deploy all of our resources to drive student achievement. That's what our Community Learning and Circle of Promise initiatives are all about. Daphne Griffin is an outstanding leader, and she is bringing that sense of purpose to our community centers.

Our plan calls for our community centers to become an extension of the school classroom.

Picture this: A group of girls and boys not only are playing basketball at a Roslindale gym. They are also using Microsoft Excel to track their statistics and standings. In Mattapan, children are reading and writing poetry and using digital media to convert their words into song lyrics. Imagine a group of young people at a pool in Dorchester improving their swimming skills and strengthening their vocabulary. Kids swim out to gather a bag of letters from the pool. Once they have collected all of the bags, they use the letters inside to solve a puzzle.

In each case, our children know they can count on a team of mentors to guide them

along the way. They are receiving quality instruction, and they are improving their chances for academic success.

To achieve this vision for our kids, we have to face some hard truths. Research tells us that real learning and mentoring takes place when there is approximately one adult for every 30 kids. If the numbers get much higher, we jeopardize the quality of the program and the impact on the child.

We will have a community center in every neighborhood. But as we look ahead, we may have to consolidate some under-utilized facilities so we can deploy more people in direct service positions and mentoring roles to our children.

Now, let's look at our public libraries. How has the context changed and how do we change with it? People increasingly get their information electronically. The numbers tell a powerful story. If there was an official 'digital branch' of the Boston Public Library, it would have the sixth highest circulation among the 26 branches.

People seek this information at all times of the day and night and in all places – in their living rooms and kitchens, in parks and community centers. And our neighbors often share and gather information from each other instead of from a research shelf – the days of the old encyclopedia are long gone.

So we need to build a 21st century system that takes account of this shift and serves people even better. We will make sure that our branch libraries provide world-class spaces in which people can learn and meet and share. We will provide more convenient hours for working families, more resources online, bridge the digital divide, have enriching out-of-school programs in libraries and the community, and look to send librarians to community

events and senior centers.

The Boston public libraries are staying in the neighborhoods. However, it's clear the system as currently constructed is stretched too thin. For example, the BPL has had to turn down partnerships because staffing is so tight. We need to close some buildings that are not offering the highest quality service to the residents of Boston.

I know this can feel heartbreaking to neighbors who identify with these places. But buildings don't define us – our connections to each other do. The public library was born in Boston, and we must lead its rebirth too.

Amy Ryan is one of the best library leaders in the nation. Under Amy and her team, we can do this. We can transform the system. But we can't limit the discussion to an individual budget or individual buildings. We can't shirk from the tough decisions. We have to keep our eyes on the bigger prize – strengthening the branch libraries for the 21st Century.

So, yes, we are at the start of a great transformation in our community centers and in our libraries. And you know by now that we are in the midst of great change in our school system.

We got the landmark education reform law we pressed for. Now, Superintendent Johnson and her team are creating turnaround plans for each of the underperforming schools, identifying the best principals in the system to lead them, bringing in neighborhood partners, evaluating school demand, and beginning the process of teacher assignment. Later this afternoon, I will join Superintendent Johnson as she walks through the details of our next turnaround steps, especially how we make sure we get our best teachers where they are needed most.

Let me be clear: The Boston Public Schools is already one of the best city school districts in the country. We have one of the highest college enrollment rates in urban America, and *U.S. News and World Report* ranked 8 of our high schools among the nation's best. Now, we are partnering our top BPS schools with our turnaround schools so that all schools can be the best.

Let me also say this: We do intend to partner with some charter schools that have outstanding results. We do plan to work with them in order to turn around schools and create in-district charter schools in Boston. We can't let the models of the past hold us back. We must move as quickly as we can to deliver results for our children. Together, we can move closer to one system of education in Boston where there will be no wasteful feuding on charter versus pilot versus public.

Even as we drive student achievement in the classroom, we know that we must create meaningful experiences outside it. One of the best out of school opportunities is summer jobs.

Today I am asking all of you to help fund summer jobs for Boston's youth. Over 64 hundred young people have already applied for a summer job, and it's only March 4th! I am level funding the City's budget for summer jobs – that's \$4.3 million. But I need your help because every kid counts. Please do what you can so Boston's young people, from Brighton to Roxbury, have this important life experience.

I'll highlight one other area for change before finishing: business services. We know that making it easier to start or grow a business is key to the success of our city. Changes in the world have made that harder to do – the economic downturn, the uncertainty, the

reduction in lending. The onus is on us to rethink how we serve businesses in this new day.

I focus today on the issue of capital. The current downturn highlights the weakness of the existing model: Businesses are highly dependent on large banks and the government as sources of credit. Perhaps this seemed reasonable until the market crashed, big banks shook, and government funds became even more scarce. In city government, our resources to lend are limited. How should we respond?

A sea change in lending is underway, and we can help facilitate it. “Micro-finance” was invented for the underbanked. Now, it’s our small and medium businesses that are underbanked, and we can adapt the model for them.

I’m announcing today that the non-profit Acción USA is partnering with the City to create a “second-look” lending program. With this model, Boston businesses turned down for loans at traditional banks would get an automatic “second-look” from Acción. To the banks in the room today – I hope you will partner with us. Together we can finance Boston’s recovery and prosperity. This is the new way of thinking about community lending. The world is changing, and we are changing with it at the cutting edge.

But we shouldn’t stop there. All across our operations, there are opportunities to meet the demands of a new day. We are looking at all of them, and expect that in this term we’ll tackle them one by one.

- We’ll consolidate call centers to provide one-stop constituent service.
- Look at coordinated emergency dispatch to improve response time and direct resources to the street.
- Curb employee health care cost increases to protect the services taxpayers deserve.

- Establish an Energy Management Office to cut City energy consumption and realize significant savings, and this is just the start.

I'll close by saying this: What we are proposing – across the board – will be hard. This is going to be tough because we are changing things that are familiar to people. I'm not sure how many fifth term mayors would take on these difficult things, but perhaps it's only the fifth term mayors who could.

I don't want us to squander this unique opportunity to serve people better than ever. I believe people want common sense, honesty, and a 'face the facts' approach from their leaders. I believe that we can do the boldest things in the toughest times. I believe that we can succeed, change, and succeed again. I hope you do, too. Thank you and let's get back to work.